FILE COPY

FILED
MAR 30 1949
CHARLES ELMORE CROPLEY
CLERK

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1948.

**No. 596**

PHILCO CORPORATION,

*Petitioner,*

*vs.*

F. & B. MFG. CO.,

*Respondent.*

## PETITIONER'S REPLY BRIEF.

EDWARD S. ROGERS,
WILLIAM T. WOODSON,
BEVERLY W. PATTISHALL,
122 S. Michigan Avenue,
Chicago, Illinois,
*Attorneys for Petitioner.*

PHILIP DECHERT,
Tioga and C Streets,
Philadelphia 34, Pennsylvania,
*Of Counsel.*

THE GUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

# INDEX.

## Table of Contents.


PAGE

1. The Law Is Not Well Settled That a Man May Use His Own Name in His Own Business as an Identifying Mark for His Own Goods ..... 1

2. It Is Not Necessary to Show Wrongful Intent on the Part of the Defendant in a Statutory Trade-Mark Action ..... 7

Conclusion ..... 11


## Table of Cases.


Walter Baker & Co., Limited v. Sanders, 80 Fed. 889 (C. C. A. 2) ..... 5

Chickering, et al. v. Chickering & Sons, 215 Fed. 490 (C. C. A. 7) ..... 6

Thaddeus Davids Company v. Davids Manufacturing Company, 233 U. S. 461 ..... 2, 7

Thaddeus David Company v. Davids Manufacturing Company, 190 Fed. 285 ..... 3

De Nobili Cigar Co. v. Nobile Cigar Co. (1932), 56 F. (2d) 324 ..... 9

Garrett, et al. v. T. H. Garrett & Co., 78 Fed. 472 (C. C. A. 6) ..... 5

Hat Corp. of America v, D. L. Davis Corp. (1933, D. C. Conn.) 4 Fed. Supp. 613 ..... 7

Andrew Jergens Co. v. Bonded Products Corporation, 21 Fed. (2d) 419 (C. C. A. 2) ..... 6

John B. Stetson Co. v. Stephen L. Stetson Co. (1936), 85 F. (2d) 586 ..... 9

Straus v. Notaseme Co. (1916), 240 U. S. 179 ..... 7

L. E. Waterman Co. v. A. A. Waterman & Co., 229 Ill. App. 630, 13 Trade Mark Reporter 74 ..... 4

OTHER AUTHORITIES.

Restatement of the Law of Torts ..... 9

"Trade Marks & Trade Names," 30 Col. Law Rev. 769, Handler & Pickett ..... 8

STATUTE CITED.

Trade-Mark Act of 1946 ..... 2

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1948.

---

**No. 596**

---

PHILCO CORPORATION,

*Petitioner,*

*vs.*

F. & B. MFG. CO.,

*Respondent.*

---

## PETITIONER'S REPLY BRIEF.

---

### 1. The Law Is Not Well Settled That a Man May Use His Own Name in His Own Business as an Identifying Mark for His Own Goods.

Respondent's main defense in its opposition to the granting of a writ of certiorari in this action is its contention that a man has the right to use his own name as an identifying mark for his own goods, and we will reply only to this defense.

Respondent's brief states on page 7:

> "The law is well settled that a man may use his own name in his own business as an identifying mark for his own goods when such use is honest, fair and legitimate and where there is no confusion or deception. There are no cases to the contrary, and Petitioner has cited none."

We disagree with counsel that the law governing the use of one's own name in his own business is as above stated.

Counsel disregards the fact that this is a statutory action, and that the Trade-Mark Act of 1946, which the Court of Appeals said was applicable to this action, has the following remedial provision:

> "Sec. 32 (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided * * *."

This Court in *Thaddeus Davids Company* v. *Davids Manufacturing Company,* 233 U. S. 461, held that the statute should be followed in a statutory trade-mark action. In that case, Cortlandt I. Davids and Walter I. Davids were enjoined from using the name DAVIDS as a trade-mark for their own goods and from using the name DAVIDS in their firm name DAVIDS MANUFACTURING COMPANY.

The plaintiff used the name DAVIDS as its trade-mark for ink, and in its corporate name. The defendants, whose names were Cortlandt I. Davids and Walter I. Davids, were using the name C. I. DAVIDS' as the brand name for their ink and were using the name DAVIDS in their business style, DAVIDS MANUFACTURING COMPANY. This Court held that these uses, of the name DAVIDS, infringed plaintiff's registered trade-mark DAVIDS. Mr. Justice Hughes said (471):

> "The distinction between permissible and prohibited uses may be a difficult one to draw in particular cases but it must be drawn in order to give effect to the act of Congress. That the distinction may readily be

observed in practice is apparent. In this case, for instance, if the defendants had so chosen, they could have adopted a distinct mark of their own, which would have served to designate their inks and completely to distinguish them from those of the complainant. It was not necessary that, in exercising the right to use their own name in trade, they should imitate the mark which the complainant used, and was entitled to use under the statute, as a designation of its wares; * * *.

"We agree with the Circuit Court that infringement was shown. The complainant put its mark 'DAVIDS'.' prominently at the top of its labels. The defendants, in the same position on its labels, put 'C. I. DAVIDS'.'. At the bottom of their labels the defendants placed 'DAVIDS MFG. CO.'. The use of the name in this manner was a mere simulation of the complainant's mark which it had duly registered; it constituted a 'colorable imitation' within the meaning of the act. The decree of the Circuit Court accordingly restrained the defendants from the use of the words 'DAVIDS MANUFACTURING COMPANY,' and from the use of the word 'DAVIDS' at the top of their labels in connection with the business of making and selling inks. We think that the complainant was entitled to this measure of protection."

It is significant that the defendants were actually using the full name of one of the partners, and not a part of it, as a trade-mark for the goods of their own manufacture, yet this Court affirmed the lower Court which enjoined the use of the name, C. I. DAVIDS', as a trade-mark holding that such use infringed plaintiff's registered trade-mark. The decision was based squarely upon the remedial provision of the Trade-Mark Statute. Mr. Justice Hughes said (471):

"* * * the right to be protected against an unwarranted use of the registered mark has been made a statutory right, * * *."

Judge Hough, of the Southern District of New York, in deciding this case below (190 Fed. 285), after it came back

to the District Court following an appeal which sustained a demurrer to the complaint, in discussing the alleged rights of an individual to use his own name in his own business, said (286):

> "Undoubtedly this statute as construed limits some rights heretofore thought to have been secured to all men in respect of the use of their own names, * * *."

The relief granted in the Davids case is what the petitioner seeks here—an injunction to prevent the respondent from infringing its federally registered trade-mark PHILCO by the use of the colorable imitation FILKO.

The individual whose name furnishes the pretended justification for respondent's use of FILKO is John Filko—Filko is only part of his name. Respondent is not an individual; it is a corporation. The name is F. & B. Mfg. Co. This is not the case of a man using his own name in his own business, but of a corporation using a part of an individual's name as a trade-mark for its goods.

The defense in this action is that the respondent is doing nothing more than using as a trade-mark the family name of one of the founders of respondent's business. The Trade-Mark Statute does not make an exception of family names. By the same reasoning, if the other founder of respondent's business had been Steve Ford, instead of Steve Bohm, then the respondent would be privileged to put out FORD automotive parts, and the Ford Motor Company would have no cause of action against this infringing use. This is not the law in any of the circuits except the Seventh.

In *L. E. Waterman Co.* v. *A. A. Waterman & Co.*, 229 Ill. App. 630, 13 Trade Mark Reporter 74, Judge Dever, in enjoining the use of the name WATERMAN by the defendant as a brand name for fountain pens even though there was a Waterman connected with the defendant company, said (92):

> "It is our opinion that the only adequate relief pos-

sible to award complainant is to absolutely enjoin the use by defendant of the name Waterman in connection with its manufacture and sale of fountain pens."

In *Garrett, et al.* v. *T. H. Garrett & Co.* (C. C. A. 6), 78 Fed. 472, the defendant company was incorporated by four incorporators, of whom T. H. Garrett was one. The defendant, in trying to justify the use of the name GARRETT in its corporate name, contended that every man had the right to use his own name in his own business, but the use of the name, T. H. GARRETT, was enjoined. Judge Sage said (478):

"While it is true that every man has a right to use his own name in his own business, it is also true that he has no right to use it for the purpose of stealing the good will of his neighbor's business, nor to commit a fraud upon his neighbor, nor a trespass upon his neighbor's rights or property; and, while it is true that every man has a right to use white paper, it is also true that he has no right to use it for making counterfeit money, nor to commit a forgery. It might as well be set up, in defense of a highwayman, that, because the constitution secures to every man the right to bear arms, he had a constitutional right to rob his victim at the muzzle of a rifle or revolver. It has been held, with reference to trade-marks, that a man has not the right to use even his own name so as to deceive the public, and make them believe that he is selling the goods of another of the same name."

In *Walter Baker & Co., Limited* v. *Sanders,* 80 Fed. 889 (C. C. A. 2), Judge Lacombe said (894):

" 'The doctrine is equally well settled that equity will direct how a man shall use his name in his purpose to denote his own individuality. He will not be allowed to so use his own name as to work an injury to another having the same name, nor to perpetrate a fraud on the public.' "

A fair use which respondent could make of John Filko's name would be such as "F. & B. Mfg. Co., John Filko, President," or "F. & B. Mfg. Co., John Filko, General Manager."

If, for example, the respondent were putting out its goods under the trade-mark F. & B., the above uses of the name, John Filko, would be honest, fair and legitimate, since it is not likely that there would be any confusion or deception of the public as to the source of origin of respondent's goods.

In *Chickering et al.* v. *Chickering & Sons,* 215 Fed. 490 (C. C. A. 7), the Court directed an injunction against defendant's use of the name CHICKERING as the name or part of the name of a piano. Judge Mack, in speaking for the Court, said (498):

> "The District Court, in our judgment, has adopted, not only a perfectly reasonable, but perhaps the only available method of protecting both parties in the full enjoyment of their respective rights and at the same time preventing confusion and deception of the public."

In *Andrew Jergens Co.* v. *Bonded Products Corporation,* 21 Fed. (2d) 419 (C. C. A. 2), Judge Swan, in affirming the District Court which enjoined William A. Woodbury from using his own name to designate a soap of his own manufacture, in determining the relief to which the plaintiff was entitled, said (424):

> "The principle that 'no man has a right to represent his goods as the goods of another' is applicable to misrepresentations by the use of a proper name, as well as by other means, even though the name be one which the defendant would ordinarily be privileged to use."

Under the above authorities it is clear that the Court of Appeals for the Seventh Circuit should have enjoined the

respondent from using the name FILKO as a trade-mark, even though it is part of the name of one of the founders of respondent's business.

**2. It Is Not Necessary to Show Wrongful Intent on the Part of the Defendant in a Statutory Trade-Mark Action.**

Neither the Trade-Mark Statute nor the better considered decisions in trade-mark infringement cases require a plaintiff to show willful intent on the part of a defendant in order to obtain an injunction against the use of a colorable imitation of a registered trade-mark. In the Davids case (233 U. S. 461), this Court said (471):

> "Moreover, in view of this statutory right, it could not be considered necessary that the complainant in order to establish infringement should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such an intent. (*Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S. 537, 549; *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U. S. 169; *Elgin Nat'l Watch Co.* v. *Illinois Watch Co.*, 179 U. S. 665, 674)."

Mr. Justice Holmes in *Straus* v. *Notaseme Co.*, (1916) 240 U. S. 179, said (182):

> "When they stood upon their rights of course they made themselves responsible for the continued use of a label that might be held likely to deceive, and if it should be held manifestly to have that tendency, they would be chargeable for what in contemplation of law was an intentional wrong, or a fraud, although the case is wholly devoid of any indication of an actual intent to deceive, or to steal the reputation of the plaintiff's goods."

*Hat Corp. of America* v. *D. L. Davis Corp.*, (1933, D. C. Conn.) 4 F. Supp. 613, involved the use of the name DOBBS as a trade-mark for hats. William H. Dobbs licensed the

use of his name to the defendant corporation. Judge Hincks found that the licensing contract was void, and held that even if it were valid, W. H. Dobbs himself would have no right to use his own name as a trade-mark for hats of his own manufacture. The court said (620):

> "In the United States the courts have frequently used general language to the effect that a man has an absolute right to the use of his own name. See Handler & Pickett, 30 Col. L. R. 196 *et seq.* But a careful reading of such cases will disclose that often the language used is broader than the facts require, and that the cases were ones in which confusion could effectively be averted if the newcomer were required only to qualify his use of the name by prefix, suffix or explanation. Some of the earlier cases, such as *Meneely* v. *Meneely*, 62 N. Y. 427, 20 Am. Rep. 489, failed to recognize that the mere use of the name, even though the use were literally truthful, might convey a false impression to the public. But more recently in such a case the same court has sustained an injunction wholly precluding the use of the surname on the product. *Westphal* v. *Westphal's World's Best Corp'n*, 216 App. Div. 53, 215 N. Y. S. 4, affirmed 243 N. Y. 639, 154 N. E. 638.
>
> *"The extent to which a man may be precluded from the use of his name on account of its prior use by another has never been clearly defined by the Supreme Court."* (Emphasis ours.)

In "Trade Marks & Trade Names," 30 Columbia Law Review 769, by Handler & Pickett, it is said:

> "No matter how devoutly a court incants the fraud rule, malice in the sense of an intention to harm the plaintiff, is nowhere required. Nor does fraud in this connection mean a technical deceit. Little inquiry, if any, is made into the defendant's motives or state of mind. Fraud is inferred from the fact of infringement, and the greater the similarity between the brands, the more readily is the inference drawn. * * *."

In *De Nobili Cigar Co.* v. *Nobile Cigar Co.*, (1932) 56 F. (2d) 324, Judge Morris stated (327):

> "While it is true that every man has a right to use his own name in his own business, it is also true that he has no right to use it for the purpose of stealing the goodwill of his neighbor's business, nor to commit a fraud upon his neighbor, nor to trespass upon his neighbor's rights or property. It has been held, with reference to trade-marks, that a man has not the right to use even his own name so as to deceive the public, and cause a belief that he is selling the goods of another of the same name."

To the same effect is *John B. Stetson Co.* v. *Stephen L. Stetson Co.*, (1936) 85 F. (2d) 586, Judge Swan saying (587):

> "In support of the defendants' appeal, it is argued that the findings upon which the trial court concluded that the defendants practiced unfair competition, are unsupported by the evidence. In substance the argument is that a man has a right to use his own name in trade, unless a fraud is intended, and that Stephen L. Stetson Company, Ltd., which has succeeded to the right of its president, should not be required to do more than print the full name in letters of equal size, as it always has done. We do not understand that the right to use one's own name is absolute unless fraud is consciously planned. A newcomer whose name will cause the public to confuse his product with that of an established competitor may be required 'to take reasonable precautions to prevent the mistake.'"

The Restatement of the Law of Torts, sec. 740, Pg. 620, states the rule as follows:

> "The fact that the designation which the actor uses is his own personal name or the name of the place where the goods which he markets are processed or is descriptive of such goods does not in itself constitute a defense to a charge of infringement under the rule stated in sec. 717.

* * * * *

> "The interest of persons in the use in connection with their business of their personal names, or of the geographical names of the places where the goods which they market are manufactured, or of words descriptive of them, is recognized and protected to the extent stated in secs. 720-722. But their privilege to use such words or names is not absolute. It is qualified to the extent necessary to prevent one from misleading prospective purchasers, by the use of such names or words, into the erroneous belief that the goods which he markets are the goods with which another's trade-mark or trade name is associated. That the actor uses a descriptive word or a geographical or personal name does not change the nature of the issues on the question of infringement as stated in sec. 717."

Even though it is not necessary that willful intent be shown on the part of the respondent, to trade upon the reputation of the petitioner it is present in this case.

Respondent, in its advertising, is capitalizing on the similarity of the names PHILCO and FILKO. In its advertisement in the December, 1944 issue of FLEET OWNER (Pet. Ex. 78) appears the slogan, "For Positive Start and Go Use Ignition Parts by Filko," thus emphasizing by this jingle the phonetic identity of FILKO and PHILCO. In this same advertisement these statements appear: "Filko Standard," "Filko's 22 years in ignition," "Ask for FILKO coils by name," and "And they're INDIVIDUALLY TESTED before they leave the Filko Factory where they are built complete from start to finish."

"FILKO" products have not been on the market for twenty-two years. There is no "Filko Factory." Respondent has never used the name FILKO in its business entity. When the business was founded it operated under the business style, F. & B. Manufacturing Company, and when it incorporated it contracted its business style to F. & B.

Mfg. Co. The emphasis on the name Filko in respondent's advertising is obvious.

## Conclusion.

A very urgent reason why this petition should be granted is to clarify the law for the benefit of the Court of Appeals for the Seventh Circuit in regard to the use of a surname which is a colorable imitation of a registered trade-mark.

The decision of the Court of Appeals for the Seventh Circuit regarding the use of a personal name as a trade-mark is in contravention of the federal trade-mark statute, the International Conventions, the decisions in other circuits, and, indeed, the decisions of this Court.

We urgently request that this petition be granted.

Respectfully submitted,

EDWARD S. ROGERS,
WILLIAM T. WOODSON,
BEVERLY W. PATTISHALL,
122 S. Michigan Avenue,
Chicago, Illinois,
*Attorneys for Petitioner.*

PHILIP DECHERT,
Tioga and C Streets,
Philadelphia 34, Pennsylvania,
*Of Counsel.*